

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2001

The directors submit their report together with the financial statements for the year ended 30 April 2001. The report and financial statements have been prepared in accordance with current statutory requirements and with the charity's governing document.

Directors' statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the results for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent; and

Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue its operations.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Full name of the charity Keratec

Keratec is a registered charity and a company limited by guarantee, not having a share capital.

Governing document Memorandum and Articles of Association

Charity registration number 803386

Company registration number 2495205

Directors

Directors are appointed by the existing directors in accordance with the Memorandum and Articles of Association.

The directors during the year under review were:

C K Rostron
P N Dilly (Resigned 09.07.01)
J Sandford-Smith

In accordance with the articles of association, C K Rostron and J Sandford-Smith will retire by rotation and, being eligible, will offer themselves for re-election.

KERATEC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2001

Charitable activities continued

During the year a total of 168 corneas were retrieved or received by the Eye Bank (2000: 171). In the same period 129 corneas and 3 scleras were issued for transplantation (2000: 155 and 3 respectively). Once again a good tissue utilization rate of 77% was achieved, but overall numbers of input and output fell slightly. In the latter half of the year we were sorry to see the departure of the Scientific Director, Dr Peter Madden, who had made a very positive impact on the Eye Bank protocols and staff training. Whilst the reduced staffing level makes the financial position less insecure, we unfortunately continue to be under financial pressure. This arises not only from the diminishing Eye Bank turnover, but also from the need to expand the Eye Bank floor space, and upgrade the working environmental conditions, in order to comply with the new Department of Health regulations for tissue banks.

Review of financial activities

The level of activity in provision of tissue for transplantation decreased during the year with income from tissue charges falling to £59,900 (2000: £81,944). This accounted for approximately 89% of total incoming resources for the year (2000: 90%). Approximately 97% of expenditure was incurred in direct charitable activities and support costs, primarily the contracting of the services of the Scientific Director and the laboratories of St. George's Hospital Medical School in the preparation of corneal tissue for transplantation. Management and administration accounted for the balance of expenditure. Overall net expenditure for the year was £12,106 which compared with net expenditure in the previous financial year of £6,284.

None of the charity's income was subject to restriction imposed by external donors. At 30 April 2001 the balance of general funds, excluding funds invested in fixed assets, amounted to £93,986 (2000: £105,147). The directors consider that this level of unrestricted income funds assures the continuing work of the charity for the foreseeable future.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 25th February 2002

C K Rostron
Director

ACCOUNTANTS' REPORT TO THE MEMBERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF KERATEC

We have prepared, without audit, the financial statements for the year ended 30 April 2001 set out on pages 5 to 10 and report that they are in accordance with the records, information and explanations given to us.

Moore Stephens
Chartered Accountants

Abbotsbury House
156 Upper New Walk
Leicester
LE1 7QA

26th February 2002

KERATEC

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 2001

| Account of income and expenditure for the year | Note | Total funds 2001 £ | Total funds 2000 £ |
|--|------|--------------------------|--------------------------|
| Incoming resources | | | |
| Donations | | 3,363 | 5,792 |
| Trading activities in furtherance of objects - tissue charges | 2 | 59,900 | 81,944 |
| UK bank interest receivable | | 4,117 | 3,655 |
| Total incoming resources | | <u>67,380</u> | <u>91,391</u> |
| Resources expended | | | |
| Direct charitable expenditure | | 77,002 | 92,631 |
| Support costs | | 94 | 94 |
| | | <u>77,096</u> | <u>92,725</u> |
| Other expenditure - management and administration of the charity | | 2,390 | 4,950 |
| Total expenditure | 3 | <u>79,486</u> | <u>97,675</u> |
| Net expenditure on ordinary activities for the year before and after taxation | 4 | <u>(12,106)</u> | <u>(6,284)</u> |
| Net movement in funds | | (12,106) | (6,284) |
| Balance brought forward from previous year | | 107,657 | 113,941 |
| Total funds carried forward | | <u>95,551</u> | <u>107,657</u> |

KERATEC

BALANCE SHEET AT 30 APRIL 2001

| | Note | 2001 £ | 2000 £ |
|---|------|----------------|-----------------|
| Fixed assets | | | |
| Tangible fixed assets for use by the charity | 5 | 1,565 | 2,510 |
| Current assets | | | |
| Stock | | 550 | 550 |
| Debtors | 6 | 10,284 | 5,350 |
| Cash at bank and in hand | | 87,163 | 115,526 |
| | | <u>97,997</u> | <u>121,426</u> |
| Creditors: amounts falling due within one year | 7 | <u>(4,011)</u> | <u>(16,279)</u> |
| Net current assets | | 93,986 | 105,147 |
| Total assets less current liabilities | | <u>95,551</u> | <u>107,657</u> |
| Funds | | | |
| Unrestricted income funds | | | |
| - general fund | | 93,986 | 105,147 |
| - equipment fund | | <u>1,565</u> | <u>2,510</u> |
| Total funds | | <u>95,551</u> | <u>107,657</u> |

In the opinion of the directors the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from audit of its financial statements for the year ended 30 April 2001. No notice from members has been deposited under section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for: ensuring the company keeps accounting records which comply with section 221; and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 2001 and of its results for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 25th February 2002

C K Rostron.....

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2001

1. Accounting policies

Accounting convention

These financial statements have been prepared under the historical cost convention.

The results for the year are presented in the form of a statement of financial activities in order to comply with the requirements of the Statement of Recommended Practice "Accounting by Charities" (effective October 1995).

Donations and voluntary income

Donations and voluntary income are recorded as incoming resources upon receipt. Income tax recoverable on covenanted giving and Gift Aid donations is accounted for in the year of receipt of the associated income on an accruals basis.

Tissue charges

Tissue charges are recognised in the profit and loss account when the tissue is supplied on an accruals basis.

Basis of allocation of expenditure between direct charitable expenditure, support costs, fundraising and publicity costs, and administration and management costs

Expenditure incurred on activities falling directly within a cost category is attributed to that cost category.

Staff costs are apportioned to cost categories on the basis of estimated proportions of working hours of each staff member on activities falling within cost categories, having due regard to each staff member's job description.

Other expenditure incurred which involves more than one cost category is apportioned on the basis of management estimates of the extent to which that expenditure is involved in the activities of that cost category.

Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life on the following bases:

Fixtures, fittings and computer equipment 15 - 33%, per annum, straight line, on cost, commencing in the month following the month of purchase.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2001

Fund accounting

Equipment fund

The equipment fund represents all unrestricted income invested in fixed assets.

General fund

The general fund represents the balance of unrestricted funds that may be used for revenue or capital expenditure without having recourse to externally imposed restrictions.

2. Tissue charges

Tissue charges are the total amount receivable by the company in the ordinary course of activities for services supplied. 34.9% (2000: 27.5%) of tissue charges are attributable to geographical markets outside the United Kingdom.

3. Total expenditure

| | Donations | Staff costs | Other expenses | Total 2001 | Total 2000 |
|--|-----------|-------------|----------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Direct charitable | - | - | 77,002 | 77,002 | 92,631 |
| Support costs | - | - | 94 | 94 | 94 |
| Management and administration of the charity | - | - | 2,390 | 2,390 | 4,950 |
| | <u>-</u> | <u>-</u> | <u>79,486</u> | <u>79,486</u> | <u>97,675</u> |

4. Net expenditure

| | Total 2001 | Total 2000 |
|--|------------|------------|
| | £ | £ |
| This is stated after charging: | | |
| Reporting accountants' fees for accountancy services | 2,350 | 2,350 |
| Depreciation | 945 | 943 |
| Directors' remuneration | - | - |
| Reimbursement of directors' expenses | - | - |
| | <u>-</u> | <u>-</u> |

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2001

5. Tangible fixed assets

| | Plant machinery etc. £ | Total £ |
|------------------------|---------------------------------|---------------|
| Cost | | |
| At 30 April 2000 | 16,470 | 16,470 |
| Additions | - | - |
| Disposals | - | - |
| At 30 April 2001 | <u>16,470</u> | <u>16,470</u> |
| Depreciation | | |
| At 30 April 2000 | 13,960 | 13,960 |
| Charge for the year | 945 | 945 |
| Eliminated on disposal | - | - |
| At 30 April 2001 | <u>14,905</u> | <u>14,905</u> |
| Net book value | | |
| At 30 April 2001 | <u>1,565</u> | <u>1,565</u> |
| At 30 April 2000 | <u>2,510</u> | <u>2,510</u> |

All fixed assets are used for charitable purposes with incidental usage in the administration and management of the charity.

6. Debtors

| | 2001 £ | 2000 £ |
|--------------------|---------------|--------------|
| General activities | 9,880 | 5,300 |
| Other debtors | 354 | - |
| Prepayments | 50 | 50 |
| | <u>10,284</u> | <u>5,350</u> |

KERATEC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2001

7. Creditors: amounts falling due within one year

| | 2001 | 2000 |
|-----------------|--------------|---------------|
| | £ | £ |
| Other creditors | 386 | 13,829 |
| Accruals | 3,625 | 2,450 |
| | <u>4,011</u> | <u>16,279</u> |

8. Transactions with directors and related parties

The company incurred direct charitable expenditure amounting to £72,164 in the provision of laboratory services by St. George's Hospital Medical School. C K Rostron is a part-time Consultant Ophthalmologist at St. George's Hospital, and has an honorary contract with St. George's Hospital Medical School as Senior Lecturer in Ophthalmology. Professor P N Dilly is Honorary Oculist of St. George's Hospital and Professor of Anatomy of St. George's Hospital Medical School. The balance owed by St. George's Hospital Medical School as at 30 April 2001 amounted to £354.

9. Controlling party

The company is controlled by the directors who are the members as defined by the Articles of Association.